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absence of *mala fides*. *Walden v. Downing*, — Ga. App. —, 61 S. E. 1127, July 25, 1908. In a case involving constructive notice the court said: "To be a bona fide holder of negotiable paper one must take without knowledge of the facts or circumstances that would lead a prudent man to suspect that the paper is invalid as between antecedent parties." *Limerick National Bank v. Adams*, 70 Vt. 132; *Roth v. Colvin*, 32 Vt. 125. In the principal case, however, the invalidity contended for was between the immediate parties. "Reasonable cause to believe" might invalidate such a transaction as the principal case presents, but "reasonable cause to suspect" would not produce the same result. *Third National Bank of Columbus v. Poe*, supra; *Grant v. National Bank*, 97 U. S. 80.

BILLS AND NOTES—NON-EXISTING PAYEE—NEGOTIABLE INSTRUMENTS LAW.—A bookkeeper fraudulently procured a draft made payable to an existing partnership, and later, by endorsing the name of the partnership, he deposited the instrument with his private account in another bank. Upon suit it was claimed that the instrument was made payable to bearer—to a non-existing person. *Held*, that such a draft is made payable to bearer only in case the person procuring it to be made knows it to be payable to a fictitious person. *Seaboard Nat. Bank v. Bank of America* (1908), — N. Y. —. 85 N. E. 829.

The Negotiable Instruments Law provides that "the instrument is payable to bearer—when it is payable to the order of a fictitious or non-existing person and such fact was known to the person making it so payable." N. Y. Gen. Laws, c. 50, § 28. The same provision has been made generally in all of the states where the Negotiable Instruments Law has been enacted. The payee in the principal case was an existing person. But in this country the fictitiousness of the payee is determined by the intention of the drawer. *Shipman v. Bank*, 126 N. Y. 318; *Armstrong v. National Bank*, 46 Oh. St. 512; *Clutton v. Attenborough* (1895), 2 Q. B. 707. Different results are reached under the operation of the English Bills of Exchange Act. See English Bills of Exchange Act, § 7 (3). "The difference between the two statutes is important. The element of knowledge is the distinguishing feature. Under the English statute the paper is payable to bearer if the payee be a fictitious or non-existing person. Under the American statute paper payable to a fictitious person is not payable to bearer unless the maker or drawer knew that the payee was a fictitious or non-existing person. Under the English statute the fact governs; under the American statute the fact coupled with knowledge governs." BUNKER, NEGOTIABLE INSTRUMENTS, p. 50; *Vagliano v. Bank of England*, 23 Q. B. Div. 243.

CONSTITUTIONAL LAW—JURISDICTION OF FEDERAL COURTS—SUITS AGAINST A STATE.—The State Dispensary system which heretofore existed in the state of South Carolina was abolished by Session Laws. S. Car., 1907, No. 402. A commission, consisting of five members, was appointed by the Governor under the act to close out the business, sell the property, pay all debts and pay to the state treasurer all surplus funds after paying all liabilities. Appellees presented their claims to the commission for supplies furnished